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Agenda item 90

Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories

Report of the Special Political and Decolonization Committee (Fourth Committee)

Rapporteur: Mr. Bernard **Tanoh-Boutchoué** (Côte d'Ivoire)

I. Introduction

1. At its 3rd plenary meeting, on 15 September 1998, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-third session the item entitled "Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories" and to allocate it to the Special Political and Decolonization Committee (Fourth Committee).

2. At its 2nd meeting, on 17 September 1998, the Fourth Committee decided to hold a general debate covering agenda items 18, 87, 88, 89 and 12, and 90. The general debate on the items was held at the 3rd to 6th meetings, on 5, 7, 9, and 12 October (see A/C.4/53/SR.3–6). The Committee took action on item 90 at its 7th meeting, on 13 October (see A/C.4/53/SR.7).

3. For its consideration of the item, the Committee had before it the report of the Secretary-General (A/53/262 and Add.1).

II. Consideration of draft resolution A/C.4/53/L.3

4. At the 7th meeting, on 13 October, the Chairman drew attention to a draft resolution entitled "Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories" (A/C.4/53/L.3), sponsored by *Algeria, Argentina, China, Cuba, Egypt, Ghana, India, Indonesia,* the *Islamic Republic of Iran, Singapore, Thailand* and the

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United Republic of Tanzania. Subsequently, *Jamaica*, the *Philippines* and the *Sudan* joined in sponsoring the draft resolution.

5. At the same meeting, the Committee adopted draft resolution A/C.4/53/L.3 without a vote (see para. 6).

III. Recommendation of the Special Political and Decolonization Committee (Fourth Committee)

6. The Special Political and Decolonization Committee (Fourth Committee) recommends to the General Assembly the adoption of the following draft resolution:

Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories

The General Assembly,

Recalling its resolution 52/74 of 10 December 1997,

Having examined the report of the Secretary-General on offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories,[1] prepared pursuant to its resolution 845 (IX) of 22 November 1954,

Conscious of the importance of promoting the educational advancement of the inhabitants of Non-Self-Governing Territories,

Strongly convinced that the continuation and expansion of offers of scholarships is essential in order to meet the increasing need of students from Non-Self-Governing Territories for educational and training assistance, and considering that students in those Territories should be encouraged to avail themselves of such offers,

1. *Takes note* of the report of the Secretary-General;[1]

2. *Expresses its appreciation* to those Member States that have made scholarships available to the inhabitants of Non-Self-Governing Territories;

3. *Invites* all States to make or continue to make generous offers of study and training facilities to the inhabitants of those Territories that have not yet attained self-government or independence and, wherever possible, to provide travel funds to prospective students;

4. *Urges* the administering Powers to take effective measures to ensure the widespread and continuous dissemination in the Territories under their administration of information relating to offers of study and training facilities made by States and to provide all the necessary facilities to enable students to avail themselves of such offers;

5. *Requests* the Secretary-General to report to the General Assembly at its fifty-fourth session on the implementation of the present resolution;

6. *Draws the attention* of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to the present resolution.

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[1] A/53/262 and Add.1

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Fifty-third session
Agenda item 12

Report of the Economic and Social Council

Report of the Second Committee

Rapporteur: Mr. Uladzimir **Gerus** (Belarus)

I. Introduction

1. At its 3rd plenary meeting, on 15 September 1998, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-third session the item entitled "Report of the Economic and Social Council" and to allocate to the Second Committee the relevant chapters of the Council's report.

2. The Second Committee considered the item at its 36th to 42nd meetings, on 10, 12, 16, 24 and 25 November and 1 December 1998. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/53/SR.36–42). Attention is also drawn to the general debate held by the Committee at its 3rd to 7th meetings, on 6, 8 and 9 October (see A/C.2/53/SR.3–7).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Economic and Social Council;[1]

(b) Report of the Secretary-General on the implementation of General Assembly resolution 50/225, concerning public administration and development (A/53/173–E/1998/87);

(c) Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award (A/53/406);

(d) Letter dated 14 July 1998 from the Permanent Representative of Namibia to the United Nations addressed to the Secretary-General, transmitting the resolutions adopted at the ninety-ninth session of the General Conference of the Inter-Parliamentary Union, held at Windhoek from 2 to 11 April 1998 (A/53/201);

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3).

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(e) Letter dated 29 September 1998 from the Permanent Representative of Indonesia to the United Nations addressed to the Secretary-General, transmitting the Ministerial Declaration of the Group of 77 and China, adopted at the twenty-second annual meeting of Ministers for Foreign Affairs of the Group of 77, held in New York on 25 September 1998 (A/53/466).

4. At the 36th meeting, on 10 November, the Chief of the External Relations and Liaison Branch of the United Nations Population Fund and the Director of the Division for Public Economics and Public Administration of the Department of Economic and Social Affairs of the United Nations Secretariat, made introductory statements (see A/C.2/53/SR.36).

II. Consideration of draft proposals

A. Draft resolution A/C.2/53/L.37

5. At the 38th meeting, on 12 November, the representative of the Russian Federation introduced a draft resolution entitled "Proclamation of international years" (A/C.2/53/L.37).

6. At the 41st meeting, on 25 November, the Vice-Chairman of the Committee, Odyek Agona (Uganda), informed the Committee of the outcome of the informal consultations held on the draft resolution, which he orally corrected and amended as follows:

(a) In the second preambular paragraph, the words

> "in which, *inter alia*, it stressed that the primary function of the general segment should be an action-oriented review of the activities, reports and recommendations of the Council's subsidiary bodies, and that the Council should regularly review the agenda of its general segment with a view to discontinuing consideration of items not relevant to the work of its subsidiary machinery or duplicative of items on the agenda of the General Assembly"

which appeared after the words "of 24 May 1996" were deleted;

(b) In the operative paragraph, the words "Economic and Social" were inserted before the word "Council".

7. At the 41st meeting, the Committee adopted draft resolution A/C.2/53/L.37, as orally corrected and amended (see para. 18, draft resolution I).

B. Draft resolution A/C.2/53/L.38

8. At the 38th meeting, on 12 November, the representative of *Indonesia*, on behalf of the States Members of the United Nations that are members of the Group of 77 and *China*, introduced a draft resolution entitled "Proclamation of the year 2002 as the International Year of Ecotourism" (A/C.2/53/L.38).

9. At the 41st meeting, on 25 November, the Vice-Chairman of the Committee, Odyek Agona (Uganda), informed the Committee of the outcome of the informal consultations held on the draft resolution.

10. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.38 (see para. 18, draft resolution II).

C. Draft resolution A/C.2/53/L.39

11. At the 39th meeting, on 16 November, the representative of Morocco, on behalf of *Argentina, Burkina Faso, Côte d'Ivoire, Morocco, Papua New Guinea*, the *Russian Federation, Egypt*, the *Philippines* and *Senegal*, subsequently joined by *Mauritania* and *Tunisia*, introduced a draft resolution entitled "Public administration and development" (A/C.2/53/L.39).

12. At the 40th meeting, on 24 November, the Vice-Chairman of the Committee, Odyek Agona (Uganda), informed the Committee of the outcome of informal consultations held on the draft resolution.

13. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.39 (see para. 18, draft resolution III).

D. Documents relating to the report of the Economic and Social Council

14. At its 42nd meeting, on 1 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it take note of chapters I to V, VIII (sects. A-C and E-H) and X of the report of the Economic and Social Council[1] and of the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award (A/53/406, annex) (see para. 19, draft decision I).

E. Biennial programme of work of the Second Committee

15. At the 42nd meeting, on 1 December, the Secretary of the Committee introduced and orally revised the draft biennial programme of work of the Second Committee for 1999–2000 (A/C.2/53/L.50, annex).

16. At the same meeting, the Director of the Division for Economic and Social Council Support and Coordination of the Department of Economic and Social Affairs of the United Nations Secretariat, made a statement (see A/C.2/53/SR.42).

17. At its 42nd meeting, the Committee approved the draft biennial programme of work of the Second Committee for 1999–2000, as orally revised, and decided to recommend it to the General Assembly for adoption (see para. 19, draft decision II).

III. Recommendations of the Second Committee

18. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Draft resolution I

Proclamation of international years

The General Assembly,

Recalling its decision 35/424 of 5 December 1980 and Economic and Social Council resolutions 1980/67 of 25 July 1980 and 1998/1 of 6 February 1998,

Recalling also its resolution 50/227 of 24 May 1996,

Reaffirming the importance of the guidelines for international years and anniversaries, adopted by the General Assembly in its decision 35/424 for the consideration of proposals for the proclamation of international years,

Recognizing the need to provide for effective arrangements for the proclamation of international years,

Decides that, starting from 1999, proposals for the proclamation of international years should be submitted directly to the Assembly for consideration and action, unless the Assembly decides to bring them to the attention of the Economic and Social Council for evaluation, in accordance with the provisions of the above-mentioned guidelines.

Draft resolution II

Proclamation of 2002 as the International Year of Ecotourism

The General Assembly,

Reaffirming Economic and Social Council resolution 1998/40 of 30 July 1998,

Proclaims 2002 as the International Year of Ecotourism.

Draft resolution III

Public administration and development

The General Assembly,

Recalling its resolution 50/225 of 19 April 1996 on public administration and development,

1. *Takes note with appreciation* of the report of the Secretary-General on the implementation of General Assembly resolution 50/225;[2]

2. *Endorses* Economic and Social Council decision 1998/220 of 23 July 1998, in which the Council requested the Secretary-General to conduct a five-year assessment of the progress made in the implementation of Assembly resolution 50/225, and to report his findings to the Assembly through the Council in 2001.

* * *

19. The Second Committee also recommends to the General Assembly the adoption of the following draft decisions:

Draft decision I

Documents relating to the report of the Economic and Social Council

The General Assembly takes note of the following documents:

[2] A/53/173–E/1998/87.

(a) Relevant chapters of the report of the Economic and Social Council for 1998;[3]

(b) Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award.[4]

Draft decision II

Biennial programme of work of the Second Committee for 1999–2000

The General Assembly, in accordance with paragraph 5 of its resolution 39/217 of 18 December 1984, approves the biennial programme of work of the Second Committee for 1999–2000, as contained in the annex to the present decision.

[3] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3), chaps. I–V, VIII (sects. A–C and E–H) and X.

[4] A/53/406.

Annex

Biennial programme of work of the Second Committee for 1999–2000[a]

1999

Item 1. Report of the Economic and Social Council[b]

Target for World Food Programme pledges for the period 2001–2003

Documentation

Relevant chapter of the report of the Economic and Social Council

United Nations Population Award

Documentation

Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award and Trust Fund (Economic and Social Council decision 1982/112)

Item 2. Macroeconomic policy questions

(a) High-level international intergovernmental consideration of financing for development

Documentation

Report of the ad hoc open-ended working group on a high-level consideration of the topic of financing for development (General Assembly resolution 52/179 and A/53/606/Add.2, para. 10, draft resolution II)

(b) Financing of development, including net transfer of resources between developing and developed countries

Documentation

Report of the Secretary-General on the financial crisis and its impact on growth and development, especially in the developing countries (A/53/606/Add.2, para. 10, draft resolution I)

(c) Trade and development

Documentation

Report of the Trade and Development Board (General Assembly resolution 1995 (XIX))

Report of the Secretary-General on the implementation of General Assembly resolution 52/181 on unilateral economic measures as a means of political and economic coercion against developing countries

Report of the Secretary-General of the United Nations and the Secretary-General of the United Nations Conference on Trade and Development on the implementation of General Assembly resolution 52/183 on specific actions related to the particular needs and problems of landlocked developing countries

[a] The Second Committee will, in accordance with established practice and in pursuance of General Assembly decision 38/429, hold a general debate each year at the beginning of its work.

[b] The list of questions and documentation under this item corresponds to requests for reports from the General Assembly. The list will be finalized after the Economic and Social Council completes its work in 1999.

Report of the Secretary-General on the implementation of General Assembly resolution 53/___, developments in the multilateral trading system and the implementation of the ministerial communiqué on market access, adopted by the Economic and Social Council on 8 July 1998 (A/53/606/Add.1, para. 10, draft resolution I)

(d) Science and technology for development

Documentation

Report of the Secretary-General on the implementation of General Assembly resolution 52/184

(e) External debt crisis and development

Documentation

Report of the Secretary-General on the implementation of resolution 53/___ (A/53/606/Add.4, para. 7)

Item 3. Sectoral policy questions

(a) Industrial development cooperation

Documentation

Report of the Secretary-General on the implementation of the programme for the Second Industrial Development Decade for Africa (General Assembly resolutions 47/177 and 52/208)

(b) Business and development

Documentation

Report of the Secretary-General on entrepreneurship and privatization for economic growth and development (General Assembly resolutions 48/180 and 52/209)

Item 4. Sustainable development and international economic cooperation

(a) Implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of the Economic Growth and Development of the Developing Countries, and implementation of the International Development Strategy for the Fourth United Nations Development Decade

Documentation

Report of the Secretary-General on the implementation of the commitments and policies agreed upon in the Declaration and the implementation of the Strategy, including the progress made and constraints therein and on the implementation of the Charter of Economic Rights and Duties of States (A/53/608/Add.1, para. 6, and article 34 of the Charter of Economic Rights and Duties of States)

(b) Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II)

Documentation

Report of the Commission on Human Settlements (General Assembly resolution 32/162 and A/53/608/Add.3, para. 10)[c]

[c] Report submitted to the General Assembly through the Economic and Social Council.

Report of the Secretary-General on the special session of the Assembly for an overall review and appraisal of the implementation of the Habitat Agenda (A/53/608/Add.3, para. 10)

(c) Women in development

Documentation

Report of the Secretary-General on the effective mobilization and integration of women in development (General Assembly resolutions 42/178 and 52/195)[c]

World Survey on the Role of Women in Development (General Assembly resolutions 40/204 and 49/161)[c]

(d) Human resources development

Documentation

Report of the Secretary-General (General Assembly resolution 52/196)

(e) International migration and development, including the question of the convening of a United Nations conference on international migration and development to address migration issues

Documentation

Report of the Secretary-General (General Assembly resolution 52/189)

(f) Implementation of the Programme of Action for the Least Developed Countries for the 1990s

Documentation

Report of the Secretary-General on the state of preparations for the Third United Nations Conference on the Least Developed Countries (A/53/608/Add.5, para. 5)

(g) Renewal of the dialogue on strengthening international economic cooperation for development through partnership

Documentation

Report of the Secretary-General on proposed themes for the second high-level dialogue of the General Assembly on strengthening international economic cooperation for development through partnership (A/53/608/Add.4, para. 9)

(h) Implementation of the Programme of Action of the International Conference on Population and Development

Documentation

Report of the Secretary-General on the special session of the General Assembly to review and appraise the implementation of the Programme of Action of the International Conference on Population and Development (A/53/608/Add.6, para. 10)

Item 5. Environment and sustainable development

Documentation

Report of the Governing Council of the United Nations Environment Programme (General Assembly resolution 2997 (XXVII))[c]

Report of the Secretary-General on the World Solar Programme 1996–2005 (General Assembly resolution 53/7)

Report of the Secretary-General on action taken to implement part IV.A of the Programme of Action for the Further Implementation of Agenda 21 (A/53/609/Add.6, para. 18, draft resolution II)

Report of the Secretary-General on the implementation of General Assembly resolution 53/___ on international cooperation to reduce the impact of the El Niño phenomenon (A/53/609/Add.6, para. 18, draft resolution I)[c]

(a) Implementation of Agenda 21 and the Programme of Action for the Further Implementation of Agenda 21

Documentation

Relevant section of the report of the Economic and Social Council on the work of the Commission for Sustainable Development on its seventh session, including the recommendations of the Commission on supportive measures and activities which will contribute to the success of the International Year of Ecotourism (General Assembly resolution 47/191; para. 18 of the present report, draft resolution II; and Council resolution 1998/40)

Report of the Secretary-General on measures undertaken in the United Nations system to accelerate the implementation of Agenda 21 and the Programme of Action for the Further Implementation of Agenda 21 (A/53/609/Add.1, para. 6)[c]

(b) International Decade for Natural Disaster Reduction

Documentation

Report of the Secretary-General (General Assembly resolution 44/236, annex)[c]

Report of the Secretary-General on recommendations on how the United Nations will deal with the reduction of natural disasters after the conclusion of the International Decade for Natural Disaster Reduction (A/53/609/Add.6, para. 18, draft resolution I)[c]

(c) Convention on Biological Diversity

Documentation

Note by the Secretary-General transmitting the report of the Executive Secretary of the Convention on Biological Diversity on the meeting of the Conference of the Parties to the Convention (General Assembly resolution 51/182 and A/53/609/Add.4, para. 6)

(d) Protection of global climate for present and future generations of mankind

Documentation

Note by the Secretary-General transmitting the report of the Executive Secretary of the United Nations Framework Convention on Climate Change on the results of the meeting of the Conference of the Parties to the Convention (General Assembly resolution 51/184)

(e) Implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

Documentation

Report of the Secretary-General on the outcome of the second session of the Conference of the Parties to the Convention (A/53/609/Add.5, para. 7)

(f) Implementation of the outcome of the Global Conference on the Sustainable Development of Small Island Developing States

No advance documentation requested (A/53/609/Add.3, para. 6)

Item 6. Operational activities for development

Documentation

Report of the Secretary-General on progress in the implementation of the World Declaration and Plan of Action from the World Summit for Children (A/53/186) (A/53/610, para. 13, draft resolution II)

(a) Operational activities for development of the United Nations system

Documentation

Relevant chapter of the report of the Economic and Social Council

(b) Economic and technical cooperation among developing countries

Documentation

Report of the High-Level Committee on the Review of Technical Cooperation among Developing Countries (General Assembly resolution 33/134)[c]

Report of the Secretary-General on the implementation of General Assembly resolution 52/204 on cooperation between the United Nations and the Southern African Development Community

Report of the Secretary-General on the state of South-South cooperation (General Assembly resolution 50/119)

Report of the Secretary-General on the implementation of General Assembly resolution 52/205

Item 7. Training and research

United Nations Institute for Training and Research

Documentation

Report of the Secretary-General on the implementation of resolution 53/___ (A/53/611, para. 14, draft resolution II)

Item 8. Permanent sovereignty of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

Documentation

Report of the Secretary-General on the implementation of Economic and Social Council resolution 1998/32 and resolution 53/___ (A/53/612, para. 11)[c]

Item 9. Globalization and interdependence

Documentation

Report of the Secretary-General examining interrelated issues to facilitate better understanding of globalization (A/53/606/Add.5, para. 6)

Item 10. Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006)

Documentation

Report of the Secretary-General on the progress made in the implementation of measures, recommendations and activities related to the Decade (A/53/613, para. 14, draft resolution II)

2000[d]

Item 1. Report of the Economic and Social Council[e]

United Nations Population Award

Documentation

Note by the Secretary-General transmitting the report of the Executive Director of the United Nations Population Fund on the United Nations Population Award and Trust Fund (Economic and Social Council decision 1982/112)

Item 2. Macroeconomic policy questions

(a) Trade and development

Documentation

Report of the Trade and Development Board (General Assembly resolution 1995 (XIX))

Note by the Secretary-General transmitting the report of the Secretary-General of the United Nations Conference on Trade and Development on the implementation of resolution 53/___ on the transit environment in the landlocked States in Central Asia and their transit developing neighbours (A/53/606/Add.1, para. 10, draft resolution II)

(b) Commodities

Documentation

Note by the Secretary-General transmitting the report of the Secretary-General of the United Nations Conference on Trade and Development on world commodity trends and prospects (A/53/606/Add.3, para. 7)

Item 3. Sectoral policy questions

(a) Industrial development cooperation

Documentation

Report of the Secretary-General on the implementation of resolution 53/___ (A/53/607, para. 14, draft resolution II)

(b) Business and development

Documentation

Report of the Secretary-General on action against corruption and bribery in international commercial transactions (A/53/607, para. 14, draft resolution I)

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[d] The programme of work and documentation list for 2000 will be updated in 1999, taking into account the relevant decisions of the General Assembly at its fifty-fourth session.

[e] The list of questions and documentation under this item is only indicative of requests for reports from the General Assembly. The list will be finalized after the Council completes its work in 2000.

Item 4. Sustainable development and international economic cooperation

Documentation

Report of the Secretary-General and the Director-General of the United Nations Educational, Scientific and Cultural Organization on communication for development programmes in the United Nations system (General Assembly resolution 50/130)

Report of the Secretary-General on the state of the preparations for the International Year of Mountains, 2002 (General Assembly resolution 53/24)

(a) Integration of the economies in transition into the world economy

Documentation

Report of the Secretary-General (General Assembly resolution 48/181 and A/53/608/Add.2, para. 5)

(b) Cultural development

Documentation

Report of the Secretary-General on the implementation of resolution 53/___ (A/53/608/Add.7, para. 5)

Item 5. Environment and sustainable development

(a) Implementation of Agenda 21 and the Programme of Action for the Further Implementation of Agenda 21

Documentation

Relevant section of the report of the Economic and Social Council on the work of the Commission on Sustainable Development on its eighth session (General Assembly resolution 47/191)

Report of the Secretary-General on measures undertaken in the United Nations system to accelerate the implementation of Agenda 21 and the Programme of Action for the Further Implementation of Agenda 21 (A/53/609/Add.1, para. 6)[c]

Report of the Secretary-General on ways and means of ensuring effective preparations for the 10-year review of Agenda 21 (A/53/609/Add.1, para. 6)

(b) Protection of global climate for present and future generations of mankind

Documentation

Note by the Secretary-General transmitting the report of the Executive Secretary of the United Nations Framework Convention on Climate Change on the results of the meeting of the Conference of the Parties to the Convention (General Assembly resolution 51/184)

(c) Convention on Biological Diversity

Documentation

Note by the Secretary-General transmitting the report of the Executive Secretary of the Convention on Biological Diversity on the results of the meeting of the Conference of the Parties to the Convention (General Assembly resolution 51/182)

(d) Water supply and sanitation

Documentation

Report of the Secretary-General containing an assessment of the water supply and sanitation situation in developing countries (General Assembly resolution 50/126)[c]

(e) Implementation of the outcome of the Global Conference on the Sustainable Development of Small Island Developing States

Documentation

Report of the Secretary General (A/53/609/Add.3, para. 6)

Item 6. Operational activities for development

Operational activities for development of the United Nations system

Documentation

Relevant chapter of the report of the Economic and Social Council

Item 7. Training and research

United Nations University

Documentation

Report of the Council of the United Nations University

Report of the Secretary-General (A/53/611, para. 14, draft resolution I)

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Fifty-third session
Agenda item 91

Macroeconomic policy questions

Report of the Second Committee*

Rapporteur: Mr. Uladzimir **Gerus** (Belarus)

Introduction

1. At its 3rd plenary meeting, on 15 September 1998, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-third session the item entitled:

"Macroeconomic policy questions:

"(a) Trade and development;

"(b) Financing of development, including net transfer of resources between developing and developed countries;

"(c) Commodities;

"(d) External debt crisis and development"

and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 8th to 11th and 28th to 30th meetings, on 9, 12, 13, 29 and 30 October 1998. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/53/SR.8–11 and 28–30). Attention is also drawn to the general debate held by the Committee at its 3rd to 7th meetings, on 6, 8 and 9 October (see A/C.2/53/SR.3–7). An account of the Committee's further consideration of the item will be given in addenda to the present report, as follows:

* The report of the Committee on this item will be issued in six parts, under the symbol A/53/606 and Add.1–5.

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Sub-item	*Addendum*
(a)	1
(b)	2
(c)	3
(d)	4
Proposals not related to a specific sub-item	5

3. For its consideration of the item, the Committee had before it the following documents:

Item 91. Macroeconomic policy questions

(a) Letter dated 26 January 1998 from the Permanent Representatives of Kazakhstan and Turkmenistan to the United Nations addressed to the Secretary-General (A/53/60);

(b) Letter dated 26 January 1998 from the Permanent Representatives of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan to the United Nations addressed to the Secretary-General (A/53/62);

(c) Letter dated 5 February 1998 from the Permanent Representatives of Bangladesh, India and Pakistan to the United Nations addressed to the Secretary-General, transmitting the Joint Declaration of the Bangladesh-India-Pakistan Business Summit, held in Dhaka on 15 January 1998 (A/53/69);

(d) Letter dated 22 July 1998 from the Permanent Representative of the Democratic People's Republic of Korea to the United Nations addressed to the Secretary-General (A/53/185);

(e) Letter dated 16 September 1998 from the Permanent Representative of the Federated States of Micronesia to the United Nations addressed to the Secretary-General, transmitting the communiqué to the twenty-ninth South Pacific Forum, held at Palikir, Pohnpei, Federated States of Micronesia, on 24 and 25 August 1998 (A/53/416);

(f) Letter dated 30 September 1998 from the Permanent Representative of Kazakhstan to the United Nations addressed to the Secretary-General (A/53/447 and Corr.1);

(g) Letter dated 8 October 1998 from the representatives of Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Poland, Republic of Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan to the United Nations addressed to the Secretary-General, transmitting the Baku Declaration adopted at the International Conference on Restoration of the Historic Silk Route, held at Baku on 7 and 8 September 1998 (A/C.2/53/4);

Item 91 (a). Trade and development

(a) Report of the Trade and Development Board on its sixteenth executive session (Geneva, 16 February 1998) (A/53/15 (Part I));[1]

(b) Report of the Trade and Development Board on its seventeenth executive session (Geneva, 8 May 1998) (A/53/15 (Part II)); [1]

(c) Report of the Trade and Development Board on its eighteenth executive session (Geneva, 10 July 1998) (A/53/15 (Part III)); [1]

[1] To be issued as *Official Records of the General Assembly, Fifty-third Session, Supplement No. 15* (A/53/15/Rev.1).

(d) Report of the Trade and Development Board on its forty-fifth session (Geneva, 12 to 23 October 1998) (A/53/15 (Part IV)); [1]

(e) Note by the Secretary-General transmitting the report prepared by the United Nations Conference on Trade and Development on the transit environment in the landlocked States in Central Asia and their transit neighbours (A/53/331);

(f) Note by the Secretary-General on the follow-up to agreed conclusions 1997/1 of the Economic and Social Council (A/53/510);

(g) Letter dated 23 February 1998 from the Chargé d'affaires a.i. of the Permanent Mission of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General, transmitting the final documents of the eighth session of the Islamic Summit Conference, held at Tehran from 9 to 11 December 1997 (A/53/72–S/1998/156);

(h) Letter dated 8 April 1998 from the Permanent Representative of Qatar to the United Nations addressed to the Secretary-General, transmitting the final communiqué of the twenty-fifth session of the Islamic Conference of Foreign Ministers, held at Doha from 15 to 17 march 1998 (A/53/95–S/1998/311);

(i) Letter dated 29 October 1998 from the Permanent Representatives of the Republic of Moldova, Romania and Ukraine to the United Nations addressed to the Secretary-General (A/53/575);

Item 91 (b). Financing of development, including the net transfer of resources between developing and developed countries

(a) Report of the Secretary-General on financing of development, including net transfer of resources between developing countries and developed countries (A/53/228);

(b) Report of the Secretary-General on global financial flows and their impact on developing countries: addressing the matter of volatility (A/53/398);

(c) Report of the Secretary-General on high-level international intergovernmental consideration of financing for development: work of the United Nations system (A/53/479);

(d) Note by the Secretary-General on high-level international intergovernmental consideration of financing for development: recurring themes and key elements (A/53/470);

Item 91 (c). Commodities

Note by the Secretary-General transmitting the report of the United Nations Conference on Trade and Development on world commodity trends and prospects (A/53/319);

Item 91 (d). External debt crisis and development

(a) Report of the Secretary-General on the debt situation of the developing countries as of mid-1998 (A/53/373);

(b) Letter dated 23 February 1998 from the Chargé d'affaires a.i. of the Permanent Mission of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General, transmitting the final documents of the eighth session of the Islamic Summit Conference, held at Tehran from 9 to 11 December 1997 (A/53/72–S/1998/156);

(c) Letter dated 8 April 1998 from the Permanent Representative of Qatar to the United Nations addressed to the Secretary-General, transmitting the final communiqué of the twenty-fifth session of the Islamic Conference of Foreign Ministers, held at Doha from 15 to 17 March 1998 (A/53/95–S/1998/311).

4. At the 8th meeting, on 9 October, introductory statements were made by the Under-Secretary-General for economic and Social Affairs, under the items as a whole and sub-item (b), and the Officer in charge of the New York Office of the United Nations Conference on Trade and Development, under sub-item (d) (see A/C.2/53/SR.8).

5. At the 11th meeting, on 13 October, the Officer in charge of the New York Office of the United Nations Conference on Trade and Development made an introductory statement under sub-item (c) (see A/C.2/53/SR.11).

6. At the 28th meeting, on 29 October, the Secretary-General of the United Nations Conference on Trade and Development made an introductory statement under sub-item (a) (see A/C.2/53/SR.28).

7. At the 29th meeting on 30 October, the President of the Trade and Development Board of the United Nations Conference on Trade and Development made an introductory statement under sub-item (a) (see A/C.2/53/SR.29).

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Macroeconomic policy questions: trade and development

Report of the Second Committee*

Rapporteur: Mr. Uladzimir **Gerus** (Belarus)

Addendum

I. Introduction

1. The Second Committee held a substantive debate on agenda item 91 (see A/53/606, para. 2). Action on sub-item (a) was taken at the 35th, 36th, 38th, 40th, 41st and 42nd meetings, on 6, 10, 12, 24 and 25 November and 1 December 1998. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/53/SR.35, 36, 38 and 40–42.

II. Consideration of proposals

A. Draft resolution A/C.2/53/L.26/Rev.2

2. At the 35th meeting, on 6 November, the representative of *Indonesia*, on behalf of the States Members of the United Nations that are members of the Group of 77 and *China*, introduced a draft resolution entitled "International trade and development" (A/C.2/53/L.26), which read:

"*The General Assembly*,

"*Reaffirming* its resolutions 50/95 and 50/98 of 20 December 1995, 51/167 of 16 December 1996 and 52/182 of 18 December 1997, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

* The report of the Committee on this item will be issued in six parts, under the symbol A/53/606 and Add.1–5.

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"*Welcoming* the ministerial communiqué on market access: developments since the Uruguay Round, implications, opportunities and challenges, in particular for the developing countries and the least developed among them, in the context of globalization and liberalization, adopted by the Economic and Social Council on 8 July 1998,[1]

"*Reaffirming* the outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa,[2] which provides an important framework for promoting a partnership for growth and development,

"*Taking note* of the report of the Trade and Development Board on its forty-fifth session,[3]

"*Noting* that the second Ministerial Conference of the World Trade Organization was held at Geneva from 18 to 20 May 1998,

"1. *Recognizes* the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries into the international trading system in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the special needs of developing countries;

"2. *Renews* the commitment to uphold and strengthen an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trade system, which contributes to the economic and social advancement of all countries and peoples by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations; in this context, deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by resorting to unilateral actions over and above the multilateral trade rules and regulations, including those agreed in the Uruguay Round of multilateral trade negotiations;

"3. *Reaffirms* the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in areas of trade, finance, technology, investment and sustainable development;

"4. *Requests* the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

"5. *Notes with appreciation* the initiative of the Secretary-General of the United Nations Conference on Trade and Development to invite the executive secretaries of the United Nations regional commissions to participate in the

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[1] See *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3), chap. IV, para. 5.

[2] *Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April–11 May 1996, Report and Annexes* (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[3] A/53/15 (Part IV), to be issued in final form in *Official Records of the General Assembly, Fifty-third Session, Supplement No. 15* (A/53/15/Rev.1).

discussions of the Trade and Development Board and encourages the continuation of such a practice in the future;

"6. *Reiterates* the importance of continued trade liberalization in developed and developing countries, particularly in sectors of export interest to developing countries, through, *inter alia*:

"(a) Substantial reductions in all tariffs, the rolling back of tariff peaks and the removal of tariff escalation, which still affect a notable range of products and sectors;

"(b) The elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;

"(c) Subjecting resort to anti-dumping duties, countervailing duties, phytosanitary and technical standards to increased multilateral surveillance, so that they respect and are consistent with multilateral rules and obligations and are not used for protectionist purposes;

"(d) The improvement and renewal, by preference-giving countries, of their generalized system of preference schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of generalized system of preference schemes; in this context, notes the concern among the beneficiaries that the enlargement of the scope of the generalized system of preferences, by linking eligibility to non-trade considerations, may detract value from its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;

"7. *Stresses* that it is an ethical imperative for the international community to arrest and reverse the marginalization of the least developed countries through the promotion of their expeditious integration into the world economy by taking the fullest possible advantage of trading opportunities arising from globalization and liberalization and recognizes that full implementation of the Plan of Action for the Least Developed Countries requires, as requested in the ministerial communiqué on market access adopted by the Economic and Social Council on 8 July 1998,[1] further progress towards duty-free imports from least developed countries, consolidation of international assistance to complement their capacity-building efforts and the provision of increased technical assistance to help strengthen their supply capacity;

"8. *Also stresses* the urgent need to facilitate the integration of the African countries into the world economy and, in this context, welcomes the action-oriented agenda for the development of Africa contained in the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa,[4] and endorses the call contained in the ministerial communiqué for continued efforts to enhance market access for products of interest to African economies and for support for their efforts at diversification and building of supply capacity and, in this context, requests the United Nations Conference on Trade and Development to continue its contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s,[5] taking into account the agreed conclusions of the Trade and Development Board at its forty-fifth session,[6]

[4] A/52/871–S/1998/318.

[5] Resolution 46/151, annex, sect. II.

[6] A/53/15 (Part IV), chap. I, sect. E, agreed conclusions 454 (XLV).

"9. *Further stresses* the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, and to recognize that developing countries that provide transit services need adequate support in maintaining and improving their transit infrastructure;

"10. *Reiterates* the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations,[7] taking into account the specific interests of developing countries and the need for the effective implementation of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries and, in this respect, reiterates the need for the full implementation of special and preferential treatment for developing countries, and urges Governments and concerned international organizations to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;[7]

"11. *Also reiterates* the importance of maintaining the momentum towards increased trade liberalization, particularly as regards products of interest to developing countries, and of giving it attention in the work leading up to the third Ministerial Conference of the World Trade Organization; further liberalization should be sufficiently broad-based to respond to the range of interests and concerns of all members of the organization, particularly the developing countries, within the framework of the organization; in this regard, invites the United Nations Conference on Trade and Development to provide analytical support and technical assistance to developing countries for their effective participation in multilateral trade negotiations and for formulating a positive agenda for future trade negotiations;

"12. *Welcomes* the launching of the substantive preparatory process for the tenth session of the United Nations Conference on Trade and Development, to be held at Bangkok in 2000, by the Trade and Development Board at its forty-fifth session, with a view to the finalization of the agenda of the Conference by the Board at its nineteenth executive session, in December 1998, and considers that the tenth session of the Conference will provide an important opportunity for the United Nations system and the international community to make a collective reflection on development;

"13. *Emphasizes* the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for Governments members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession, in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations, and for the United Nations Conference on Trade and Development and the World Trade Organization to provide technical assistance, within their mandate, thereby

[7] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994–7).

contributing to the rapid and full integration of those countries into the multilateral trading system;

"14. *Stresses* the need for improved and coordinated measures to address the effects of the financial crisis on the international trading system and the development prospects of developing countries, emphasizing that keeping the trading system open and maintaining continued growth in world trade are key elements in overcoming the crisis, and rejects the use of any protectionist measures; at a broader level, there is a need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system. In this context, calls for close cooperation among the United Nations system, the World Trade Organization and the Bretton Woods institutions;

"15. *Recognizes* the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives' being in conformity with World Trade Organization rules, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system;

"16. *Reiterates* that, in line with Agenda 21[8] and the Rio Declaration on Environment and Development,[9] Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes, and in this context encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development;

"17. *Strongly underlines* the need to provide technical assistance to developing countries for capacity-building in trade negotiations and for taking the fullest possible advantage of the dispute settlement mechanism and in this regard emphasizes the importance of strengthening the capacity of the United Nations Conference on Trade and Development in carrying out analytical and technical cooperation activities in the areas of trade, finance, technology, investment and sustainable development, and welcomes its collaboration with relevant organizations of the United Nations system, including the Bretton Woods institutions, the World Trade Organization, the Bank for International Settlements and other relevant organizations in undertaking its work;

"18. *Emphasizes* that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations and in this context underlines the need for the World Trade Organization to take into account the potential consequences of its rulings on developing countries, in particular the least developed countries and small island developing States;

"19. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-fourth session on the implementation of

[8] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and Corr.1), resolution 1, annex II.

[9] Ibid., annex I.

the present resolution, developments in the multilateral trading system and the implementation of the ministerial communiqué on market access adopted by the Economic and Social Council on 8 July 1998."

3. At the 42nd meeting, on 1 December, the Vice-Chairman of the Committee, Mr. Burak Özügergin (Turkey), informed the Committee of the outcome of the informal consultations held on draft resolution A/C.2/53/L.26, and drew the attention of the Committee to a revised draft resolution entitled "International trade and development" (A/C.2/53/L.26/Rev.2), submitted by the sponsors of draft resolution A/C.2/53/L.26 and *Australia, Austria* (on behalf of the States Members of the United Nations that are members of the European Union), *Canada, Japan, Mexico, New Zealand, Norway,* the *Republic of Korea*, the *Russian Federation* and the *United States of America*.

4. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.26/Rev.2 (see para. 10, draft resolution I).

5. After the adoption of the draft resolution, statements were made by the representatives of Saint Lucia, Fiji and Turkey (see A/C.2/53/SR.42).

B. Draft resolutions A/C.2/53/L.34 and Rev.1

6. At the 36th meeting, on 10 November, the representative of Kazakhstan, on behalf of *Afghanistan, Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan*, the *Republic of Moldova, Romania, Tajikistan, Turkey, Ukraine* and *Uzbekistan*, introduced a draft resolution entitled "Transit environment in the landlocked States in Central Asia and their transit developing neighbours" (A/C.2/53/L.34). Subsequently, *Belarus*, the *Islamic Republic of Iran, Mongolia, Poland, the former Yugoslav Republic of Macedonia* and *Turkmenistan* joined in sponsoring the draft resolution, which read as follows:

"*The General Assembly*,

"*Recalling* its resolutions 48/169 and 48/170 of 21 December 1993, 49/102 of 19 December 1994 and 51/168 of 16 December 1996,

"*Recalling also* the document entitled 'Global framework for transit transport cooperation between landlocked and transit developing countries and the donor community',[10]

"*Recognizing* that the overall socio-economic development efforts of the landlocked States in Central Asia, seeking to enter world markets through the establishment of a multicountry transit system, are impeded by a lack of territorial access to the sea as well as by remoteness and isolation from world markets and lack of adequate infrastructure in the transport sector in transit developing neighbours due to their economic problems,

"*Reaffirming* that transit countries, in the exercise of their full sovereignty over their territory, have the right to take all measures to ensure that the rights and facilities provided for landlocked countries in no way infringe upon their legitimate interests,

"*Supporting* the current efforts being undertaken by the newly independent and developing landlocked States in Central Asia and their transit developing neighbours through relevant multilateral, bilateral and regional arrangements to address issues regarding the development of a viable transit infrastructure in the region,

[10] TD/B/42(1)/11–TD/B/LDC/AC.1/7, annex I.

"*Taking note* of the report prepared by the United Nations Conference on Trade and Development on the transit environment in the landlocked States of Central Asia and their transit neighbours,[11] and considering that the problems of transit transport facing the Central Asian region need to be seen against the backdrop of economic changes and accompanying challenges, including especially the impact of those changes on the international and intraregional trade of the countries concerned,

"*Recognizing* that, to be effective, a transit transport strategy for the newly independent and developing landlocked States in Central Asia and their transit developing neighbours should incorporate actions that address both the problems inherent in the use of existing transit routes and those associated with the development and smooth functioning of new, alternative routes,

"*Noting* that there have been a number of important developments at the subregional and regional levels, including the signing of a transit transport framework agreement among member States of the Economic Cooperation Organization at Almaty, Kazakhstan, on 9 May 1998, the signing by the heads of State of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific of the Tashkent Declaration of 26 March 1998 on the United Nations special programme for the economies of Central Asia,[12] the implementation of the expanded Transport Corridor-Europe-Caucasus-Asia programme and the signing of the Baku Declaration of 8 September 1998,[13]

"*Emphasizing once again* the importance of strengthening international support measures to address further the problems of the newly independent and developing landlocked States in Central Asia and their transit developing neighbours,

"1. *Notes with appreciation* the contribution of the United Nations Conference on Trade and Development to improving the efficiency of the transit transport system in the landlocked States in Central Asia and their transit developing neighbours;

"2. *Invites* the Secretary-General of the United Nations Conference on Trade and Development and the Governments concerned, in cooperation with the United Nations Development Programme, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe and relevant regional and international organizations, and in accordance with approved programme priorities and within existing financial resources, to continue elaborating a programme for improving the efficiency of the current transit environment in the newly independent and developing landlocked States in Central Asia and their transit developing neighbours;

"3. *Invites* the Secretary-General of the United Nations Conference on Trade and Development, in close cooperation with the regional commissions and relevant international organizations, to provide technical assistance and advisory services, within the current mandate and resources of the Conference, to the newly independent landlocked States in Central Asia and their transit developing neighbours, taking into account the relevant transit transport agreements;

"4. *Invites* donor countries and multilateral financial and development institutions, within their mandates, to continue to provide the newly independent and

[11] A/53/331, annex.

[12] A/53/96, annex II.

[13] A/C.2/53/4, annex.

developing landlocked States in Central Asia and their transit developing neighbours with appropriate financial and technical assistance for the improvement of the transit environment, including construction, maintenance and improvement of their transport, storage and other transit-related facilities and improved communications;

"5. *Calls upon* the United Nations system to continue studying, within the scope of the implementation of the present resolution, possible ways of promoting more cooperative arrangements between landlocked States in Central Asia and their transit developing neighbours, and to encourage a more active supportive role on the part of the donor community;

"6. *Requests* the Secretary-General of the United Nations Conference on Trade and Development, in close cooperation with the regional commissions, to prepare a report on the implementation of the present resolution, to be submitted to the General Assembly at its fifty-fifth session."

7. At the 41st meeting, on 25 November, the Vice-Chairman of the Committee, Mr. Odyek Agona (Uganda), informed the Committee of the outcome of the informal consultations held on the draft resolution and drew the attention of the Committee to a revised draft resolution entitled "Transit environment in the landlocked States in Central Asia and their transit developing neighbours" (A/C.2/53/L.34/Rev.1).

8. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.34/Rev.1 (see para. 10, draft resolution II).

C. Draft decision

9. At its 42nd meeting, on 1 December, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it take note of the report of the Trade and Development Board on its sixteenth, seventeenth and eighteenth executive sessions (A/53/15 (Parts I–III)) and the note by the Secretary-General on the follow-up to agreed conclusions 1997/1 of the Economic and Social Council (A/53/510) (see para. 11).

III. Recommendations of the Second Committee

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I

International trade and development

The General Assembly,

Reaffirming its resolutions 50/95 and 50/98 of 20 December 1995, 51/167 of 16 December 1996 and 52/182 of 18 December 1997, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

Welcoming the ministerial communiqué on market access: developments since the Uruguay Round, implications, opportunities and challenges, in particular for the developing

countries and the least developed among them, in the context of globalization and liberalization, adopted by the Economic and Social Council on 8 July 1998,[14]

Reaffirming the outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa,[15] which provides an important framework for promoting a partnership for growth and development,

Emphasizing that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of developing countries, and emphasizing also that each country is responsible for its own economic policies for sustainable development,

Taking note of the report of the Trade and Development Board on its forty-fifth session,[16]

Noting that the second Ministerial Conference of the World Trade Organization was held at Geneva from 18 to 20 May 1998,

1. *Recognizes* the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries and countries with economies in transition into the international trading system, in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the circumstances of individual countries, in particular the trade interests and development needs of developing countries;

2. *Renews* the commitment to uphold and strengthen an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trade system, which contributes to the economic and social advancement of all countries and peoples by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations;

3. *Deplores* any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by unilateral actions inconsistent with the multilateral trade rules and regulations, including those agreed in the Uruguay Round of multilateral trade negotiations;

4. *Reaffirms* the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in the areas of trade, finance, technology, investment and sustainable development;

5. *Requests* the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

6. *Notes with appreciation* the initiative of the Secretary-General of the United Nations Conference on Trade and Development to invite the executive secretaries of the

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[14] See *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3), chap. IV, para. 5.

[15] *Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April–11 May 1996, Report and Annexes* (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[16] A/53/15 (Part IV), to be issued in final form in *Official Records of the General Assembly, Fifty-third Session, Supplement No. 15* (A/53/15/Rev.1).

United Nations regional commissions to participate in the discussions of the Trade and Development Board and encourages the continuation of such a practice in the future;

7. *Notes* the increasing importance and application of electronic commerce in international trade and, in this context, welcomes the United Nations Conference on Trade and Development "Partners for Development" Summit, held at Lyon, France, from 9 to 12 November 1998, and urges the United Nations Conference on Trade and Development, in cooperation with other relevant bodies of the United Nations system, to continue to assist developing countries, in particular the least developed countries, and, in this regard, further notes the needs of the economies in transition;

8. *Reiterates* the importance of continued trade liberalization in developed and developing countries, including in sectors of export interest to developing countries, through, *inter alia*:

(a) Substantial reductions of tariffs, the rolling back of tariff peaks and the removal of tariff escalation;

(b) The elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;

(c) Ensuring that the resort to anti-dumping duties, countervailing duties, phytosanitary and technical standards are subjected to effective multilateral surveillance so that such actions respect and are consistent with multilateral rules and obligations and are not used for protectionist purposes;

(d) The improvement and renewal, by preference-giving countries, of their generalized system of preference schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of generalized system of preference schemes, and in this context reiterates its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;

9. *Also reiterates* that it is an ethical imperative for the international community to arrest and reverse the marginalization of the least developed countries and to promote their expeditious integration into the world economy, and, as declared in the ministerial communiqué on market access adopted by the Economic and Social Council on 8 July 1998,[14] all countries should work together towards further enhanced market access for exports from least developed countries within the context of supporting their own efforts at capacity-building; welcomes the initiatives taken by the World Trade Organization in cooperation with other organizations in the implementation of the Plan of Action for the Least Developed Countries adopted at its first Ministerial Conference in December 1996, including through effective follow-up of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held in October 1997; recognizes that the full implementation of the Plan of Action requires further progress towards duty-free imports from the least developed countries; and invites the relevant international organizations to provide enhanced technical assistance to help strengthen the supply capacity of the least developed countries so as to help them take the fullest possible advantage of trading opportunities arising from globalization and liberalization;

10. *Stresses* the urgent need to facilitate the integration of the countries of Africa into the world economy and, in this context, welcomes the action-oriented agenda for the development of Africa contained in the report of the Secretary-General on the causes of

conflict and the promotion of durable peace and sustainable development in Africa,[17] and endorses the call contained in the ministerial communiqué for continued efforts to enhance market access for products of export interest to African economies and support for their efforts at diversification and building of supply capacity and, in this context, requests the United Nations Conference on Trade and Development to continue its contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s,[18] taking into account the agreed conclusions of the Trade and Development Board at its forty-fifth session;[19]

11. *Also stresses* the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, and to recognize that developing countries that provide transit services need adequate support in maintaining and improving their transit infrastructure;

12. *Reiterates* the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations,[20] taking into account the specific interests of developing countries so as to maximize economic growth and developmental benefits for all, and the need for the effective implementation of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries, including special and preferential treatment, and urges Governments and concerned international organizations to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;[20]

13. *Also reiterates* that it is important that the momentum towards increased trade liberalization, particularly as regards products of interest to developing countries, be maintained and given attention in the work leading up to the third Ministerial Conference of the World Trade Organization: further liberalization should be sufficiently broad-based to respond to the range of interests and concerns of all members of the organization within the framework of the World Trade Organization; and, in this regard, invites the United Nations Conference on Trade and Development to provide analytical support and technical assistance to developing countries for their effective participation in multilateral trade negotiations and in their formulation of a positive agenda for future trade negotiations;

14. *Welcomes* the launching of the substantive preparatory process for the tenth session of the United Nations Conference on Trade and Development, to be held at Bangkok in 2000, by the Trade and Development Board at its forty-fifth session, with a view to the finalization of the agenda of the Conference by the Board at its nineteenth executive session, in December 1998, and considers that the tenth session of the Conference will provide an important opportunity for the United Nations system and the international community to make a collective reflection on development;

15. *Emphasizes* the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries

[17] A/52/871–S/1998/318.

[18] Resolution 46/151, annex, sect. II.

[19] A/53/15 (Part IV), chap. I, sect. E, agreed conclusions 454 (XLV).

[20] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994–7).

with economies in transition, and emphasizes the necessity for Governments members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession, in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations, and for the United Nations Conference on Trade and Development and the World Trade Organization to provide technical assistance, within their mandate, thereby contributing to the rapid and full integration of those countries into the multilateral trading system;

16. *Stresses* the need for improved measures to address the effects of the financial crisis on the international trading system and the development prospects of developing countries and the countries affected by the crisis, emphasizing that keeping all markets open and maintaining continued growth in world trade are key elements in overcoming the crisis, and in this context rejects the use of any protectionist measures; at a broader level, there is a need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system, and in this context calls for close cooperation between the organizations of the United Nations system, and the multilateral trade and financial institutions;

17. *Recognizes* the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives' being in conformity with World Trade Organization rules, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system;

18. *Reiterates* that, in line with Agenda 21[21] and the Rio Declaration on Environment and Development,[22] Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development and; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes; and encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development;

19. *Strongly underlines* the need for technical assistance to developing countries in taking the fullest possible advantage of the dispute settlement mechanism of the World Trade Organization, based on multilaterally agreed rules and regulations, and in this context emphasizes the importance of enabling the United Nations Conference on Trade and Development to provide technical assistance to developing countries, in particular the least developed countries and small island developing States, in this area, and welcomes its collaboration with the relevant organizations of the United Nations system, the Bretton Woods institutions, the World Trade Organization, the Bank for International Settlements and other relevant organizations in undertaking its work;

20. *Emphasizes* that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

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[21] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and Corr.1), resolution 1, annex II.

[22] Ibid., annex I.

21. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-fourth session on the implementation of the present resolution, developments in the multilateral trading system and the implementation of the ministerial communiqué on market access adopted by the Economic and Social Council on 8 July 1998.

Draft resolution II

Transit environment in the landlocked States in Central Asia and their transit developing neighbours

The General Assembly,

Recalling its resolutions 48/169 and 48/170 of 21 December 1993, 49/102 of 19 December 1994 and 51/168 of 16 December 1996,

Recalling also the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community[23] and other relevant international legal instruments,

Recognizing that the overall socio-economic development efforts of the landlocked States in Central Asia, seeking to enter world markets through the establishment of a multicountry transit system, are impeded by a lack of territorial access to the sea as well as by remoteness and isolation from world markets and lack of adequate infrastructure in the transport sector in transit developing neighbours due to their economic problems,

Reaffirming that transit countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked countries in no way infringe upon their legitimate interests,

Supporting the current efforts being undertaken by the newly independent and developing landlocked States in Central Asia and their transit developing neighbours through relevant multilateral, bilateral and regional arrangements to address issues regarding the development of a viable transit infrastructure in the region,

Taking note of the progress report prepared by the United Nations Conference on Trade and Development on the transit environment in the landlocked States of Central Asia and their transit neighbours,[24] and considering that the problems of transit transport facing the Central Asian region need to be seen against the backdrop of economic changes and accompanying challenges, including especially the impact of those changes on the international and intraregional trade of the countries concerned,

Recognizing that, to be effective, a transit transport strategy for the newly independent and developing landlocked States in Central Asia and their transit developing neighbours should incorporate actions that address both the problems inherent in the use of existing transit routes and those associated with the early development and smooth functioning of new, alternative routes, and welcoming, in this context, further cooperation of landlocked States with all interested countries,

Noting that there have been a number of important developments at the subregional and regional levels, including the signing of a transit transport framework agreement among member States of the Economic Cooperation Organization at Almaty, Kazakhstan, on 9 May

[23] TD/B/42(1)/11–TD/B/LDC/AC.1/7, annex I.

[24] A/53/331, annex.

1998, the signing by the heads of State of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific of the Tashkent Declaration of 26 March 1998 on the United Nations special programme for the economies of Central Asia,[25] the implementation of the expanded Transport Corridor-Europe-Caucasus-Asia programme and the signing of the Baku Declaration of 8 September 1998,[26]

Emphasizing once again the importance of strengthening international support measures to address further the problems of the newly independent and developing landlocked States in Central Asia and their transit developing neighbours,

1. *Notes with appreciation* the contribution of the United Nations Conference on Trade and Development to improving the efficiency of the transit transport system in the landlocked States in Central Asia and their transit developing neighbours;

2. *Invites* the Secretary-General of the United Nations Conference on Trade and Development and the Governments concerned, in cooperation with the United Nations Development Programme, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe and relevant regional and international organizations, and in accordance with approved programme priorities and within existing financial resources, to continue elaborating a programme for improving the efficiency of the current transit environment in the newly independent and developing landlocked States in Central Asia and their transit developing neighbours;

3. *Also invites* the United Nations Conference on Trade and Development, in close cooperation with the regional economic commissions, within their respective mandates and current resources, as well as with other relevant international organizations, to provide technical assistance and advisory services to the newly independent landlocked States in Central Asia and their transit developing neighbours, taking into account the relevant transit transport agreements;

4. *Invites* donor countries and multilateral financial and development institutions, within their mandates, to continue to provide the newly independent and developing landlocked States in Central Asia and their transit developing neighbours with appropriate financial and technical assistance for the improvement of the transit environment, including construction, maintenance and improvement of their transport, storage and other transit-related facilities and improved communications;

5. *Calls upon* the United Nations system to continue studying, within the scope of the implementation of the present resolution, possible ways of promoting more cooperative arrangements between landlocked States in Central Asia and their transit developing neighbours, and to encourage a more active supportive role on the part of the donor community;

6. *Requests* the Secretary-General of the United Nations Conference on Trade and Development, in close cooperation with the regional commissions, to prepare a report on the implementation of the present resolution, to be submitted to the General Assembly at its fifty-fifth session.

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11. The Committee also recommends to the General Assembly the adoption of the following draft decision:

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[25] A/53/96, annex II.

[26] A/C.2/53/4, annex.

Documents relating to trade and development

The General Assembly takes note of the following documents:

(a) Report of the Trade and Development Board on its sixteenth, seventeenth and eighteenth executive sessions;[27]

(b) Note by the Secretary-General on the follow-up to agreed conclusions 1997/1 of the Economic and Social Council.[28]

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[27] A/53/15 (Parts I–III), to be issued in *Official Records of the General Assembly, Fifty-third Session, Supplement No. 15* (A/53/15/Rev.1).

[28] A/53/510.

United Nations A/53/606/Add.2

General Assembly

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Fifty-third session
Agenda item 91 (b)

Macroeconomic policy questions: financing of development, including net transfer of resources between developing and developed countries

Report of the Second Committee*

Rapporteur: Mr. Uladzimir **Gerus** (Belarus)

Addendum

I. Introduction

1. The Second Committee held a substantive debate on agenda item 91 (see A/53/606, para. 2). Action on sub-item (b) was taken at the 15th, 36th and 42nd meetings, on 16 October, 10 November and 1 December 1998. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/53/SR.15, 36 and 42).

II. Consideration of proposals

A. Draft resolutions A/C.2/53/L.4 and A/C.2/53/L.55

2. At the 15th meeting, on 16 October, the representative of *Indonesia*, on behalf of the States Members of the United Nations that are members of the Group of 77 and *China*, introduced a draft resolution entitled "The financial crisis and its impact on growth and development, especially in the developing countries" (A/C.2/53/L.4), which read:

"*The General Assembly*,

* The report of the Committee on this item will be issued in six parts, under the symbol A/53/606 and Add.1–5.

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"*Reaffirming* its resolution 52/180 of 18 December 1997 on global financial flows and their impact on the developing countries, as well as the Economic and Social Council ministerial communiqué on market access of 7 July 1998, in particular its paragraph 10 on the serious implications of the financial crisis for world trade and trading prospects,

"*Also reaffirming* that global financial flows, in the context of financial globalization, have presented Governments, the multilateral financial institutions and the international community at large with new challenges and opportunities, and that they should constitute a very important element of the dialogue between the United Nations system and the Bretton Woods institutions,

"*Mindful* of the vital role of financing for developing and fostering the economic development of the developing countries, and emphasizing the importance of adequate financial resources for development,

"*Recognizing* the benefits of the increasing integration of global markets and the important role of financial capital flows for promoting economic development and social welfare,

"*Deeply concerned* over the continuing decline of official development assistance, which is a major external source for financing development and is a crucial input for infrastructure development in developing countries, especially where private capital flows may either be inadequate or not available,

"*Regretting* that the financial markets have exhibited extreme volatility, which has resulted in higher interest rate spreads and a sharp decline in private capital flows to developing countries, leading to a significant slowdown in economic activity,

"*Deeply concerned* that the international financial crisis has acquired extremely worrying dimensions, posing a severe threat to world economic development,

"*Expressing concern* that the financial crisis has seriously affected the growth and development prospects of least developed countries,

"*Also expressing concern* over the negative effects of the financial crisis on the international trading system, in particular the sharp reduction of commodity prices and its negative effects on the development prospect of developing countries,

"*Recognizing* the weaknesses and the need to improve international financial architecture to enable it to deal with the new challenges of global financial integration,

"1. *Takes note* of the report of the Secretary-General entitled 'Global financial flows and their impact on developing countries: addressing the matter of volatility', the *World Economic and Social Survey, 1998* and the *Trade and Development Report, 1998*;

"2. *Stresses* the importance of having an enabling international environment and a strong cooperative effort by all countries and institutions to support crisis-hit countries and to prevent further contagion, and calls on all countries, particularly major developed countries with significant influence on the economic situation at the global and regional levels, to adopt and implement effective policy measures conducive to economic growth and to promote a favourable external economic environment for the economic recovery of the affected developing countries and countries in a critical economic situation;

"3. *Emphasizes* that the international financial institutions, in providing policy advice and prescriptions in the context of adjustments and financial crisis programme,

should ensure that they are sensitive to specific needs and circumstances of developing countries and ensure the best possible outcome for the economies concerned;

"4. *Also recognizes* the importance of safeguarding the growth and development prospects of least developed countries, which remain the poorest and most vulnerable segment of the international community, and calls upon development partners to adopt immediate measures, in particular for substantial increase in official development assistance, large-scale debt relief, improved market access and enhanced balance-of-payments support;

"5. *Stresses* the need for constructive dialogue among developed and developing countries with regard to the repeated appeals for improving the international financial system;

"6. *Also stresses* the importance of the open high-level dialogue between the Economic and Social Council and the Bretton Woods institutions, and invites the Secretary-General to consider the possibility of convening the high-level dialogue in 1999 immediately before the spring meeting between the World Bank and the International Monetary Fund;

"7. *Recognizes* the need to improve the capacities and modalities of the international monetary and development finance institutions to prevent, and to respond in a timely and effective manner to, crises induced by large-scale capital movements;

"8. *Stresses* the urgent need to endow the International Monetary Fund with adequate resources to provide emergency financing to countries affected by financial crises as a result of the high volatilities of international capital flows;

"9. *Also stresses* the need to consolidate the international and national financial systems through a more effective national, regional and international surveillance, based upon the improvement of the availability and transparency of information, as well as the strengthening of the role of the international financial institutions in the prevention, management and solution of financial crisis;

"10. *Invites* the International Monetary Fund to determine additional regulatory and disclosure measures to ensure greater transparency of financial market participants, including highly leveraged operations of the international institutional investors;

"11. *Encourages* the Interim Committee of the Board of Governors of the International Monetary Fund to expedite the work relative to the greater involvement of the private sector in preventing and resolving financial crisis;

"12. *Emphasizes* that the opening of the capital account must be carried out in an orderly, gradual and well sequenced manner, keeping its pace in line with the strengthening of countries' ability to sustain its consequences, and invites the International Monetary Fund to contribute to this process;

"13. *Calls on* the international community to pursue national and international efforts, at the intergovernmental and inter-agency levels, to contribute to minimizing the excessive volatility of global financial flows, and to distribute in a more equitable manner the costs of systemic adjustments between the public and private sectors;

"14. *Invites* the International Monetary Fund to facilitate the dialogue among relevant actors to consider the possibility of establishing a regulatory framework for short-term capital flows and trade in currencies;

"15. *Recognizes* that a most important question that needs to be addressed by the international community in the wake of globalization is the need to mobilize resources for such goals as poverty eradication, human resources development and health and education;

"16. *Welcomes* the efforts of the World Bank to help Governments to address the social consequences of crises, including strengthening social safety nets for the most vulnerable;

"17. *Requests* the Secretary-General, in close cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, to analyse the current trends in global financial flows and make recommendations in the *World Economic and Social Survey, 1999* and the *Trade and Development Report, 1999* on ways and means to prevent and respond to the systemic crisis in a comprehensive manner and with a long-term perspective, while remaining responsive to the challenges of development and the protection of the most vulnerable social groups, including recommendations on modalities to improve prevention and early warning capabilities for dealing with the emergence and spread of financial crises in a timely manner;

"18. *Also requests* the Secretary-General, in collaboration with the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-fourth session on the implementation of the present resolution."

3. At the 42nd meeting, on 1 December, the Vice-Chairman of the Committee, Burak Özügergin (Turkey), in the absence of Odyek Agona (Uganda), Vice-Chairman of the Committee, introduced a draft resolution entitled "The financial crisis and its impact on growth and development, especially in the developing countries" (A/C.2/53/L.55), submitted on the basis of informal consultations held on draft resolution A/C.2/53/L.4, and orally revised it as follows:

(a) In the third preambular paragraph, the words "developing and" before the words "fostering the economic development of the developing countries" were deleted;

(b) In the fourth preambular paragraph, the word "financial" before the words "capital flows" was deleted.

4. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.55, as orally revised (see para. 10, draft resolution I).

5. In the light of the adoption of draft resolution A/C.2/53/L.55, draft resolution A/C.2/53/L.4 was withdrawn by its sponsors.

B. Draft resolution A/C.2/53/L.28

6. At the 36th meeting, on 10 November, the Chairman of the Committee introduced a draft resolution entitled "High-level international intergovernmental consideration of financing for development" (A/C.2/53/L.28).

7. The Secretary of the Committee read out a statement regarding the conference-servicing implications of the draft resolution (see A/C.2/53/SR.36).

8. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.28 (see para. 10, draft resolution II).

C. Draft decision proposed by the Chairman

9. At the 36th meeting, on 10 November, on the proposal of the Chairman, the Committee decided to recommend to the General Assembly that it take note of the report of the Secretary-General on the financing of development, including net transfer of resources between developing and developed countries (A/53/228) and the report of the Secretary-General entitled "High-level international intergovernmental consideration of financing for development: work of the United Nations system" (A/53/479) (see para. 11).

III. Recommendations of the Second Committee

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I

The financial crisis and its impact on growth and development, especially in the developing countries

The General Assembly,

Reaffirming its resolution 52/180 of 18 December 1997 on global financial flows and their impact on the developing countries, as well as the ministerial communiqué on market access, adopted by the Economic and Social Council on 8 July 1998,[1]

Also reaffirming that global financial flows, in the context of financial globalization, have presented Governments, the multilateral financial institutions and the international community at large with new challenges and opportunities, and that they should constitute a very important element of the dialogue between the United Nations system and the Bretton Woods institutions,

Mindful of the vital role of financing for fostering the economic development of the developing countries, and emphasizing the importance of adequate financial resources for development,

Recognizing the benefits of the increasing integration of global markets and the important role of capital flows for promoting economic development and social welfare,

Deeply concerned at the overall declining trend in official development assistance, which is a significant external resource for financing development and an important source of support to the efforts of developing countries, in particular least developed countries, to create an enabling environment for eradicating poverty and tackling basic social needs, especially where private capital flows may either be inadequate or unavailable,

Regretting that the current crisis in financial markets, characterized, *inter alia*, by massive and sudden outflows of capital from the affected countries and the sharp decline in private capital flows to developing countries and some economies in transition, has resulted in higher interest rate spreads, leading to a significant slowdown in economic activity,

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3), chap. IV, para. 5.

Welcoming the continued efforts of the countries affected by the crisis to restore financial and economic stability, ease the social impact of the crisis and put their economies on the path of recovery, and in this context also welcoming the continued support of the international community, including the multilateral financial institutions, to the affected countries,

Deeply concerned that the international financial crisis has acquired extremely worrying dimensions, posing a threat to world economic development, and that if it were allowed to continue financial turmoil could result in major setbacks to the global economy, in particular to the progress that most developing countries have achieved in the 1990s,

Expressing concern at the negative effects of the financial crisis on international trade, in particular the sharp reduction in commodity prices and its negative effects on the development prospects for developing countries and some economies in transition, and emphasizing that keeping all markets open, in accordance with multilateral trade rules, and maintaining continued growth in world trade are key elements in overcoming the crisis, and in this context rejecting the use of any protectionist measures,

Expressing concern that the financial crisis has also seriously affected the growth and development prospect of least developed countries,

Recognizing that the current crisis has exposed weaknesses in the international financial system and the urgent need to work on a wide range of reforms to create a strengthened international financial system with a view to enabling it to deal more effectively and in a timely manner with the new challenges of global financial integration,

Welcoming the convening of the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions held in New York on 18 April 1998 and the convening of the meeting of the World Bank's "Exchange Programme" with a delegation of United Nations ambassadors, led by the President of the Economic and Social Council, held at Washington, D.C., on 27 and 28 May 1998,

1. *Takes note* of the report of the Secretary-General entitled "Global financial flows and their impact on developing countries: addressing the matter of volatility,[2] the *World Economic and Social Survey, 1998*[3] and the *Trade and Development Report, 1998*;[4]

2. *Stresses* the importance of having an enabling international environment and a strong cooperative effort by all countries and institutions to support crisis-hit countries and to prevent further contagion, and calls on all countries, particularly major industrialized countries, which have significant weight in influencing world economic growth, to adopt and pursue policies conducive to economic growth and to promote a favourable external economic environment for the recovery of the affected countries and countries in a critical economic situation;

3. *Also stresses* the importance at the national level of sound macroeconomic policies and policies aimed at strengthening the institutional capacities and regulatory frameworks, especially the regulatory and supervisory systems of the domestic financial and banking sectors;

4. *Emphasizes* that the international financial institutions, in providing policy advice and prescriptions in the context of adjustment and financial crisis programmes, should ensure that they are sensitive to the specific circumstances of the concerned countries and

[2] A/53/398.

[3] United Nations publication, Sales No. E.98.II.C.1.

[4] United Nations publication, Sales No. E.98.II.D.6.

to the special needs of developing countries and work towards the best possible outcome for the economies concerned;

5. *Recognizes* the importance of accelerating the growth and development prospect of least developed countries, which remain the poorest and most vulnerable segment of the international community, and calls upon development partners to carry on their efforts to increase official development assistance, and their efforts aimed at strengthened debt relief, improved market access and enhanced balance-of-payments support;

6. *Stresses* the need for continued and constructive dialogue in the appropriate forums among developed and developing countries on issues related to strengthening and reforming the international financial architecture;

7. *Also stresses* the need for the international community to continue to work together in formulating a global approach towards financial crisis, and in this regard welcomes the efforts undertaken to strengthen further the cooperation and collaboration among the United Nations system, the International Monetary Fund, the World Bank, the regional development banks, the World Trade Organization and other relevant international economic institutions in the areas of common and complementary objectives;

8. *Stresses* the importance of the open high-level dialogue between the Economic and Social Council and the Bretton Woods institutions, and invites the Secretary-General to further support the Economic and Social Council in the organization of the high-level dialogue in 1999, in accordance with Assembly resolution 50/227 of 24 May 1996;

9. *Recognizes* the need to improve the capacities and modalities of the international financial institutions with regard to the prevention, management and resolution in a timely and effective manner of international financial crises;

10. *Stresses* the importance of strengthened collaboration between the World Bank and the International Monetary Fund in specific areas where collaboration is needed, such as the financial sector, while recognizing the specific mandates of the two institutions, and also stresses the need for the institutions dealing with financial crises to keep in mind the overall objective of facilitating long-term development;

11. *Stresses* the need to endow the International Monetary Fund with adequate resources to provide emergency financing to countries affected by financial crises as a result, among others, of the high volatility of international capital flows, and in this context also stresses the importance of sound macroeconomic policies and policies aimed at strengthening the institutional capacities and regulatory frameworks;

12. *Also stresses* the need to strengthen the international and national financial systems through a more effective national, regional and international surveillance of both public and private sectors, based upon the improvement of the availability and transparency of information, as well as the strengthening of the role of the International Monetary Fund in this regard, and the collaboration of the World Bank with technical assistance and capacity-building in this matter;

13. *Invites* the International Monetary Fund and relevant international regulatory bodies to consider as quickly as possible additional regulatory and disclosure measures to ensure greater transparency of financial market participants, including international institutional investors, particularly of highly leveraged operations;

14. *Encourages* the Interim Committee of the Board of Governors of the International Monetary Fund and other relevant forums to expedite the work relative to the greater involvement of the private sector in preventing and resolving financial crises;

15. *Emphasizes* that the opening of the capital account must be carried out in an orderly, gradual and well-sequenced manner, keeping its pace in line with the strengthening of countries' ability to sustain its consequences, underscores the crucial importance in this regard of solid domestic financial systems and of an effective prudential framework, and invites the International Monetary Fund, the World Bank and relevant international regulatory bodies to contribute to this process;

16. *Calls on* the international community to pursue national and international efforts, at the intergovernmental and inter-agency levels, to contribute to minimizing the excessive volatility of global financial flows, and to distribute in a more equitable manner the costs of systemic adjustments between the public and private sectors;

17. *Invites* the International Monetary Fund to facilitate the dialogue among relevant actors to consider the possibility of establishing regulatory frameworks for short-term capital flows and trade in currencies;

18. *Recognizes* that a most important question that needs to be addressed by the international community in the process of globalization is the need to mobilize resources for such goals as poverty eradication, human resources development, and health and education;

19. *Welcomes* the efforts of the World Bank to help Governments to address the social consequences of crises, including strengthening social safety nets for the most vulnerable;

20. *Requests* the Secretary-General, in close cooperation with all relevant entities of the United Nations, including the United Nations Conference on Trade and Development, within their respective existing mandates, and in consultation with the Bretton Woods institutions, to analyse the current trend in global financial flows and modalities to improve early warning, prevention and response capabilities for dealing with the emergence and spread of financial crises in a timely manner, taking a comprehensive and long-term perspective, while remaining responsive to the challenges of development and the protection of the most vulnerable countries and social groups;

21. *Also requests* the Secretary-General, in cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-fourth session on the implementation of the present resolution.

Draft resolution II

High-level international intergovernmental consideration of financing for development

The General Assembly,

Reaffirming its resolution 52/179 of 18 December 1997,

Taking note of the views expressed by Governments, including those reflected in the notes by the Secretary-General of 24 March 1998[5] and 8 October 1998,[6] on the key elements that might be included in consideration of financing for development,

1. *Recalls* its decision in resolution 52/179 to establish an ad hoc open-ended working group of the General Assembly to undertake an in-depth examination of all inputs

[5] A/52/840.

[6] A/53/470.

requested in the resolution, with a view to formulating a report containing recommendations on the form, scope and agenda of, *inter alia*, a summit, an international conference, a special session of the General Assembly or other appropriate high-level international intergovernmental forum on financing for development to further global partnership for development, to be convened not later than the year 2001;

2. *Requests* the ad hoc working group to consider appropriate modalities that will ensure the completion of its work and the submission of specific recommendations to the General Assembly at its fifty-fourth session;

3. *Requests* the President of the General Assembly at its fifty-third session to serve as ex officio chairman of the ad hoc working group and to convene an organizational meeting of the ad hoc working group not later than January 1999 to decide on the modalities referred to in paragraph 2 of the present resolution and to develop arrangements for the effective direction and functioning of the ad hoc working group;

4. *Also requests* the President of the General Assembly at its fifty-third session, in close consultations with Member States, to designate two vice-chairpersons for the ad hoc working group, preferably before the convening of its organizational meeting in January 1999, bearing in mind appropriate representation;

5. *Requests* the Bureau of the Second Committee at the fifty-third session of the General Assembly, with the assistance of the Secretariat, to organize briefings or panel discussions on important topics or significant trends and events that may enrich the deliberations of the ad hoc working group;

6. *Decides* to include in the provisional agenda of its fifty-fourth session, under the item entitled "Macroeconomic policy questions", a sub-item entitled "High-level international intergovernmental consideration of financing for development".

* * *

11. The Second Committee also recommends to the General Assembly the adoption of the following draft decision:

Documents relating to the financing of development

The General Assembly takes note of the following reports:

(a) Report of the Secretary-General on the financing of development, including net transfer of resources between developing and developed countries;[7]

(b) Report of the Secretary-General entitled "High-level international intergovernmental consideration of financing for development: work of the United Nations system".[8]

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[7] A/53/228.

[8] A/53/479.

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Agenda item 91 (c)

Macroeconomic policy questions: commodities

Report of the Second Committee*

Rapporteur: Mr. Uladzimir **Gerus** (Belarus)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 91 (see A/53/606, para. 2). Action on sub-item (c) was taken at the 15th and 42nd meetings, on 16 October and 1 December 1998. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/53/SR.15 and 42).

II. Consideration of draft resolutions A/C.2/53/L.5 and A/C.2/53/L.51

2. At the 15th meeting, on 16 October, the representative of *Indonesia*, on behalf of the States Members of the United Nations that are members of the Group of 77 and *China*, introduced a draft resolution entitled "Commodities" (A/C.2/53/L.5), which read:

"*The General Assembly*,

"*Recalling* its resolutions 45/200 of 21 December 1990, 47/185 of 22 December 1992, 48/214 of 23 December 1993 and 51/169 of 16 December 1996, and stressing the urgent need to ensure their full implementation,

"*Recognizing* that in many developing countries, in particular African countries and least developed countries, the commodity sector remains the principal source of export revenues, the creation of employment, income and savings, as well as a driving force of investment and a contributor to growth and development,

* The report of the Committee on this item will be issued in six parts, under the symbol A/53/606 and Add.1–5.

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"*Expressing deep concern* about the negative effects of unfavourable weather conditions on the supply side of commodity-dependent countries, and the effects of the financial crisis on the demand for commodities, as well as the continuing decline of commodity prices, which would adversely affect the economic growth of commodity-dependent countries, especially in Africa,

"*Concerned* about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes and in attaining access to the markets of developed countries,

"*Emphasizing* the necessity for the developing countries, in particular African countries and least developed countries, for a domestic industrial transformation of their commodity sector with a view to enhancing productivity and stabilizing and increasing their export earnings, thus promoting the sustainable economic growth of developing countries in their integration into the global economy,

"*Taking note* of the report of the United Nations Conference on Trade and Development concerning the commodity situation in the context of the global economic environment,[1]

"1. *Notes* the need of the developing countries, in particular the commodity-dependent countries, for stable and more predictable commodity prices at remunerative levels;

"2. *Emphasizes* the need for developing countries that are heavily dependent on primary commodities to continue to promote a domestic policy and an institutional environment that encourage diversification and liberalization of the trade and export sectors and enhance competitiveness;

"3. *Expresses* the urgent need for supportive international policies to improve the functioning of commodity markets through efficient and transparent price formation mechanisms and to help the commodity diversification programmes and liberalization efforts of developing countries, especially African countries, *inter alia*, by providing technical and financial assistance for the preparatory phase of those programmes;

"4. *Urges* producers and consumers of individual commodities to intensify their efforts to reinforce mutual cooperation and assistance;

"5. *Reiterates* the importance of maximizing the contribution of the commodity sector to economic growth and sustainable development in developing countries, especially in commodity-dependent countries and, in this respect, stresses that:

"(a) International support for the efforts of developing countries towards the industrial transformation of their commodities is required to increase their export revenues and to improve their competitiveness with a view to facilitating their integration into the global economy;

"(b) Trade-distorting policies and practices, including tariff peaks and tariff escalations, environmental regulations and other non-tariff barriers, as well as the erosion of trade preferences should be avoided as they have negative effects on the ability of developing countries to diversify their exports and to undertake the required restructuring of their commodity sector while impeding successful measures taken by the commodity-dependent countries;

[1] A/53/319, annex.

"(c) In line with Agenda 21[2] and the Rio Declaration on Environment and Development,[3] Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

"(d) Efficient financial cooperation to facilitate the management by commodity-dependent countries of excessive fluctuations in commodity export earnings should be maintained and expanded;

"(e) Technical cooperation in the areas of transfer of new technologies in production processes and training for technical, managerial and commercial staff of developing countries are of paramount importance for quality improvements in the commodity sector;

"(f) Expansion of South-South trade and investment in commodities enhances complementarities and offers opportunities for intersectoral linkages within and among exporting countries;

"(g) There is a need to promote research and development, to provide infrastructure and support services and to encourage investment, including joint ventures in developing countries engaged in the commodity and commodity-processing sectors;

"6. *Reiterates* the need to strengthen the role of the Common Fund for Commodities in cooperation with the International Trade Centre and the United Nations Conference on Trade and Development, especially in directing its commodity development programmes more towards commodity sector diversification projects, as well as in promoting commodity market development in developing countries, with particular focus on the needs of least developed countries, and in exploring effective ways and means of using the resources of the First Account of the Common Fund;

"7. *Requests* the United Nations Conference on Trade and Development to include in its preparation for the upcoming multilateral trade negotiations issues related to commodities, including financing of commodity diversification, for the consideration of the Conference at its tenth session, to be held in Thailand in 2000;

"8. *Requests* the Secretary-General of the United Nations Conference on Trade and Development to report to the General Assembly at its fifty-fifth session on world commodity trends and prospects;

"9. *Decides* to include the question of commodities in the provisional agenda of its fifty-fifth session."

3. At the 42nd meeting, on 1 December, the Vice-Chairman of the Committee, Burak Özügergin (Turkey), introduced a draft resolution entitled "Commodities" (A/C.2/53/L.51), submitted on the basis of informal consultations held on draft resolution A/C.2/53/L.5, and orally revised operative paragraph 6 (c) of the draft resolution by replacing the phrase "the unintended diminution of trade preferences accorded to developing countries" with the phrase "the diminution of differentials accorded by preferred trade regimes".

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[2] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigenda), resolution 1, annex II.

[3] Ibid., annex I.

4. At the same meeting, the representative of Côte d'Ivoire orally corrected operative paragraph 6 (d) of the draft resolution by inserting the words "have as their objectives to" before the word "ensure".

5. At the same meeting, the Committee adopted draft resolution A/C.2/53/L.51, as orally revised and corrected (see para. 7).

6. In the light of the adoption of draft resolution A/C.2/53/L.51, draft resolution A/C.2/53/L.5 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Commodities

The General Assembly,

Recalling its resolutions 45/200 of 21 December 1990, 47/185 of 22 December 1992, 48/214 of 23 December 1993 and 51/169 of 16 December 1996, and stressing the urgent need to ensure their full implementation,

Recognizing that in many developing countries, in particular African countries and least developed countries, the commodity sector remains the principal source of export revenues, the creation of employment, income and savings, as well as a driving force of investment and a contributor to growth and development,

Expressing deep concern about the negative effects of recent unfavourable weather conditions on the supply side of commodity-dependent countries and the effects of the financial crisis on the demand for commodities, as well as the continuing decline of commodity prices, which adversely affect the economic growth of commodity-dependent countries, especially in Africa,

Concerned about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes and in attaining access to markets for their commodities,

Emphasizing the necessity for the developing countries, in particular African countries and least developed countries, for a domestic industrial transformation of their commodity production with a view to enhancing productivity and stabilizing and increasing their export earnings, thus promoting the sustainable economic growth of developing countries in their integration into the global economy,

Taking note of the report of the United Nations Conference on Trade and Development on world commodity trends and prospects,[4]

1. *Notes* the need of the developing countries, in particular the commodity-dependent developing countries, for stable and more predictable commodity prices in the face of instability and decline in real terms of the prices of many commodities;

2. *Emphasizes* the need for developing countries that are heavily dependent on primary commodities to continue to promote a domestic policy and an institutional

[4] A/53/319, annex.

environment that encourage diversification and liberalization of the trade and export sectors and enhance competitiveness;

3. *Expresses* the urgent need for supportive international policies to improve the functioning of commodity markets through efficient and transparent price formation mechanisms, including commodity exchanges, and through the use of commodity price risk management instruments;

4. *Urges* developed countries to continue to support the commodity diversification and liberalization efforts of developing countries, especially African countries, in a spirit of common purpose and efficiency, *inter alia*, by providing technical and financial assistance for the preparatory phase of their commodity diversification programmes;

5. *Urges* producers and consumers of individual commodities to intensify their efforts to reinforce mutual cooperation and assistance;

6. *Reiterates* the importance of maximizing the contribution of the commodity sector to economic growth and sustainable development, while continuing with diversification efforts, in developing countries, especially in commodity-dependent countries, and, in this respect, stresses that:

(a) International support for the efforts of developing countries towards the industrial transformation of their commodities is required to increase their export revenues and to improve their competitiveness with a view to facilitating their integration into the global economy;

(b) In the context of the process of trade liberalization, the use of trade-distorting policies and practices, including tariff peaks, tariff escalations and non-tariff barriers, should be minimized as they have negative effects on the ability of developing countries to diversify their exports and to undertake the required restructuring of their commodity sector and as they could also adversely impact liberalization measures undertaken by commodity-dependent developing countries;

(c) In light of the process of multilateral trade liberalization, which has led to the diminution of differentials accorded by preferred trade regimes, there is a need to take measures, as appropriate and consistent with international obligations, to address that diminution, in particular by strengthening technical assistance to and by addressing supply-side constraints faced by commodity-dependent developing countries, in order to improve the competitiveness of their commodity sector and to overcome difficulties encountered in their diversification programmes;

(d) In line with Agenda 21[5] and the Rio Declaration on Environment and Development,[6] Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

(e) Effective financial cooperation to facilitate the management by commodity-dependent countries of excessive fluctuations in commodity export earnings should be maintained and further pursued;

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[5] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigenda), resolution 1, annex II.

[6] Ibid., annex I.

(f) Technical cooperation in the areas of transfer of new technologies in production processes and training for technical, managerial and commercial staff of developing countries are of paramount importance for quality improvements in the commodity sector;

(g) Expansion of South-South trade and investment in commodities enhances complementarities and offers opportunities for intersectoral linkages within and among exporting countries;

(h) There is a need to promote research and development, to provide infrastructure and support services and to encourage investment, including joint ventures in developing countries engaged in the commodity and commodity-processing sectors;

7. *Encourages* the Common Fund for Commodities, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development and other relevant bodies, to direct its commodity development programmes more towards commodity sector diversification projects, as well as to promote commodity market development in developing countries, with particular focus on the needs of least developed countries, and to explore effective ways and means of using the resources of the First Account of the Common Fund;

8. *Invites* the United Nations Conference on Trade and Development, within its mandate, to provide assistance to developing countries in the financing of commodity diversification and to include issues related to commodities in the provision of analytical support and technical assistance to developing countries in their preparation for effective participation in multilateral trade negotiations and in formulating a positive agenda for future trade negotiations;

9. *Also invites* the United Nations Conference on Trade and Development to consider issues related to commodities in the preparation for its tenth session, to be held in Thailand in the year 2000;

10. *Requests* the Secretary-General of the United Nations Conference on Trade and Development to report to the General Assembly at its fifty-fifth session on world commodity trends and prospects;

11. *Decides* to include the question of commodities in the provisional agenda of its fifty-fifth session.